



state senator

Vaneta Becker

2006 LEGISLATIVE UPDATE

Indiana Senate
200 W. Washington St.
Indianapolis, IN 46204

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FACTS & FIGURES

FROM THE 2006 LEGISLATIVE SESSION

The First Regular Session of the 114th General Assembly began on Organization Day, November 22, 2005, and adjourned March 14, 2006.

Senate bills introduced: 394
Senate joint resolutions introduced: 14

Senate bills passed: 107
Senate joint resolutions passed: 1

House bills introduced: 443
House joint resolutions introduced: 4

House bills passed: 86
House joint resolutions passed: 0

Percent of introduced bills that were sent to the governor: 23%

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Eminent Domain Law Preserves Property Rights Keeping Students Healthy

Property Taxpayers to Receive \$100 Million Relief

Bill Allows Consolidation If Residents Approve



SENATOR VANETA BECKER

serving district 50: Vanderburgh and Warrick counties

2006 LEGISLATIVE UPDATE



Major Moves: The Jobs Bill of a Generation

For decades, Hoosiers in Southern Indiana have been promised that the Interstate 69 extension from Evansville to Indianapolis will get done "eventually." With the passage of Major Moves, House Enrolled Act 1008, the I-69 dream may become a reality sooner than you think. If all goes as planned, the passage of this landmark legislation could mean construction will start in Evansville in 2008, with completion of the massive project in 2018.

By now, most Hoosiers have heard of Major Moves, a broad road funding that largely centers around leasing — not selling — the northern Indiana Toll Road (I-80/90). The 75-year lease will make up the existing \$2.8 billion funding gap between promised road projects and available money. It will also put \$700 million toward I-69, fund new Ohio River bridges, create a \$500 million trust fund for future road construction, and create thousands of jobs for Hoosiers.

The lease that was ratified through HEA 1008 was a \$3.8 billion agreement between the state and Statewide Mobility Partners (SMP), a Spanish-Australian consortium that operates toll roads all over the world. Supported by business leaders and unions alike, the \$3.8 billion lease and the interest it accrues will pay for the state's road projects, creating - according to some estimates - more than 130,000 jobs. An additional \$150 million will also be distributed to counties for local road projects (see chart, bottom right).

In exchange for an up-front payment, SMP will operate and collect tolls from the Indiana Toll Road for 75 years. The consortium has also agreed to make improvements to the road - estimated at \$4.4 billion - and fund 25 additional State Troopers and a new state police post along the Interstate. The lease agreement and HEA 1008 dictate that SMP must meet federal standards on items such as traffic flow and snow removal. Indiana also listed its own requirements for maintenance issues such as filling pot holes, removing dead animals, and taking care of other hazards.

It is important to note that HEA 1008 did not lease the planned I-69 route. A public-private partnership to help build the route quickly is allowed under the legislation, but not guaranteed. Additionally, no final decision has been made as to what parts of I-69, if any, will be tolled. The previous timeline for extending I-69 from Indianapolis to Evansville, set by previous administrations, had construction beginning in 2017. That is simply unworkable. Under HEA 1008, work on the long-awaited interstate could start as soon as 2008 and be completed by 2018.

Another important part of the I-80 lease is a \$500 million Next Generation Trust Fund. Every five years, the state will take the interest the trust fund accrues and deposit it into the Major Moves construction fund. The initial \$500 million, however, will be protected and not spent.

As Governor Mitch Daniels has said, a top-tier economy requires a top-tier infrastructure. Indiana is striving to have an economy that is the envy of the nation, but we can't do so without a road system that also draws envy. Major Moves completes those goals, and I am proud to say I supported it.

Major Moves provides \$700 million to begin construction on I-69 from Evansville to Indianapolis by leasing — not selling — the northern Indiana Toll Road."

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200 W. Washington St.
Indianapolis, IN 46204

(800) 382-9467
s50@in.gov

SENATE DISTRICT 50 TO RECEIVE \$4.4 MILLION FROM MAJOR MOVES

The size of the Indiana Toll Road lease allowed \$150 million to be distributed to counties for local projects based on a formula similar to the fuel tax distribution formula. Counties in District 50 will receive the following:

- Vanderburgh County
\$3,118,026
- Warrick County
\$1,286,157

Eminent Domain Law Preserves Property Rights

The right to own property is fundamental to the American way of life. We are all familiar with the concept of "life, liberty, and the pursuit of happiness" set out in our Declaration of Independence. However, at the time the Declaration was issued, many Americans listed such basic God-given human rights as "life, liberty and property."

Last summer, the U.S. Supreme Court issued a ruling that threatens the right to own property. In *Kelo v. City of New London*, the court said that government may "take" private property for economic development. In other words, as then-Justice Sandra Day O'Connor wrote, "Nothing is to prevent the state from replacing any Motel 6 with a Ritz-Carlton, any home with a shopping mall, or any farm with a factory."

The Supreme Court, however, left a loophole, saying legislatures may further restrict the use of eminent domain. This year, the General Assembly did exactly that.

House Enrolled Act 1010 requires the reason for using eminent domain be something that benefits the public. Thus, eminent domain can be used for a legitimate government purpose-but not simply to increase a local government's tax base.

The new law does several other things, including placing time restrictions on eminent domain so that property owners are not left in limbo for years at a time; requiring just compensation for Hoosier property owners; and mandating good-faith negotiations between the condemner and the property owner.

When used appropriately, eminent domain is an important tool that can help provide anything from roads to parks to schools for public use. HEA 1010 ensures that this tool is not abused at the expense of Hoosiers' right to own private property.

Kids Given Healthy Options

Children's health and nutrition is a growing concern for parents, doctors, and research organizations. According to the Executive Office of the President and the Department of Health and Human Services, the percentage of children who are overweight has doubled since 1980. Obese children are at a greater risk for developing high blood pressure, type 2 diabetes, and high cholesterol. Children's diet and fitness behaviors must be improved now to reduce the risks they face as adults.

In response to this problem, I authored Senate Enrolled Act 111. The bill's goals are to improve nutrition at schools and increase students' physical activity. The bill makes several provisions regarding students' health and nutrition, including the establishment of a student health advisory council, nutritional requirements for foods and beverages, and daily physical activity for students.

The nutrition guidelines in the bill aim to offer better food and beverage choices for students by requiring that at least 50 percent of foods and beverages offered at the school qualify as "better choice" by meeting certain nutritional standards.

The legislation also establishes standards for physical activity. Each elementary school must provide daily physical activity for all students. The bill also requires school boards to establish a school health advisory council to create a wellness policy that complies with federal regulations. The advisory councils will make recommendations to school boards concerning children's health and nutrition.

Bill Could Save Indiana Wineries

An often-overlooked industry in the Hoosier state is the wine industry. More than 30 farms wineries in Indiana thrive in Indiana, but a recent the Supreme Court of the United States decision threatened their survival.

In May the Supreme Court of the United States ruled that both in-state and out-of-state wineries must be treated the same. That meant Indiana's direct-to-consumer shipping practices were unconstitutional.

The General Assembly this year changed the



Senator Becker speaks on legislation that is being considered by the full Senate.

Another portion of the bill makes breakfast programs available at more schools. If a school has more than 15 percent of students that are eligible for free or reduced lunches, then the school must provide a breakfast program for students. School breakfast programs are funded by federal dollars, so no additional state money will be used.

The ultimate goal of this bill is to improve the general health of students. Developing good eating habits and physical exercise routines will help children learn how to lead a healthy lifestyle. It is imperative that we teach children these lessons so that they can grow into healthy adults.

laws while protecting Indiana farm wineries. House Enrolled Act 1016 creates a direct wine-seller's permit for both in- and out-of-state wineries, putting everyone on an equal playing field. Consumers who order wine must have an Indiana address, be ordering wine for personal use and verify they are 21. This will keep minors from having easy access to the wine.

The Hoosier farm winery industry is an important part of our economy and I am pleased that a resolution was reached during the session to make sure this industry continues to thrive.

INDIANA PROPERTY OWNERS TO RECEIVE \$100 MILLION RELIEF

As estimates for property tax increases this year came rolling in at the end of 2005, members of the General Assembly thought property taxpayers could use a break from expected increases. This year, HEA 1001 provides that relief by dedicating \$100 million to subsidize property tax bills.

This move could mean that homeowners will see no increase from their 2005 tax bills. Early estimates suggested hikes as high as 12 percent, but most experts thought increases would be around 5 percent. HEA 1001 will keep any increases reasonable, and may flatline many bills.

In addition to providing immediate property tax relief, HEA 1001 sets the stage for a long-term solution to high property tax bills. The new law states that by 2010, property taxes must be capped at 2 percent of assessed value. In order to replace any revenue that could be lost as a result of this move, the General Assembly in future years will have to find a permanent way to replace property tax revenue.

The Senate voted in a bipartisan fashion this year to lower property tax revenue by 20 percent by increasing local income taxes, but that proposal ultimately did not become law.



Senator Becker recognizes Old National Bank executive Wayne Henning.

HEA 1001 aids property taxpayers, but is also a pro-business law. The legislation phases in a single sales factor tax by 2011. This means payroll and property factors will no longer be used in figuring corporate taxes. With a single sales factor, businesses will no longer be penalized for owning property or having large payrolls in Indiana.

The out-of-state utility services tax will help Indiana utility companies compete with others by subjecting out-of-state utility companies to the same taxes as Indiana companies face.

In the end, HEA 1001 is a very positive move for Hoosier taxpayers and Hoosier businesses.

Legislation Allows Governments to Merge

"Home Rule" is once again a hot topic around the Statehouse. It is the idea that local officials typically know what's best for their communities and that they should be provided with greater freedom to make decision. That principle is carried forth this year in House Enrolled Act 1362, which gives local governments the right to consolidate without legislative approval.

In his State of the State address, Governor Mitch Daniels said, "How ironic that Indiana...leads the nation in the number of politicians we elect. How curious that Hoosiers, strong believers in local control, have imprisoned mayors and county officers in a system that prevents major

change without state approval."

HEA 1362 allows either local legislative bodies or the residents of areas — through petitions — to initiate mergers. Once two localities start the merger process, a committee of local leaders is formed to work out the details. Finally, when a reorganization plan is complete, the proposal will be placed on the local ballot.

In Vanderburgh County, there has been much discussion and debate about whether consolidating city and county governments would be a wise action to take. Bills were introduced this year to begin that process specifically for our area,

but those specialized bills were too premature. By giving the people a voice in government consolidation, we can ensure that such a move won't be forced on an unwilling population. Nor will a populace that desires a change be forced to wait for the state to respond.

I believe local governments need to help slow property tax growth by reining in their spending. HEA 1362 gives towns, cities and counties the ability to join together to help lower the cost of government to their constituents.

Notably absent from this new consolidation procedure is state government. The days of the state having top-down control of local issues are numbered.

I support giving our local officials the authority to try innovative ways to run their governments at less cost and with greater efficiency.



Senator Becker listens to testimony.